



Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-429



VH-92A Presidential Helicopter (VH-92A)

As of FY 2017 President's Budget

Defense Acquisition Management
Information Retrieval
(DAMIR)

Table of Contents

| | |
|---|----|
| Common Acronyms and Abbreviations for MDAP Programs | 3 |
| Program Information | 5 |
| Responsible Office | 5 |
| References | 5 |
| Mission and Description | 6 |
| Executive Summary | 7 |
| Threshold Breaches | 8 |
| Schedule | 9 |
| Performance | 10 |
| Track to Budget | 12 |
| Cost and Funding | 13 |
| Low Rate Initial Production | 20 |
| Foreign Military Sales | 21 |
| Nuclear Costs | 21 |
| Unit Cost | 22 |
| Cost Variance | 25 |
| Contracts | 28 |
| Deliveries and Expenditures | 29 |
| Operating and Support Cost | 30 |

Common Acronyms and Abbreviations for MDAP Programs

Acq O&M - Acquisition-Related Operations and Maintenance
ACAT - Acquisition Category
ADM - Acquisition Decision Memorandum
APB - Acquisition Program Baseline
APPN - Appropriation
APUC - Average Procurement Unit Cost
\$B - Billions of Dollars
BA - Budget Authority/Budget Activity
Blk - Block
BY - Base Year
CAPE - Cost Assessment and Program Evaluation
CARD - Cost Analysis Requirements Description
CDD - Capability Development Document
CLIN - Contract Line Item Number
CPD - Capability Production Document
CY - Calendar Year
DAB - Defense Acquisition Board
DAE - Defense Acquisition Executive
DAMIR - Defense Acquisition Management Information Retrieval
DoD - Department of Defense
DSN - Defense Switched Network
EMD - Engineering and Manufacturing Development
EVM - Earned Value Management
FOC - Full Operational Capability
FMS - Foreign Military Sales
FRP - Full Rate Production
FY - Fiscal Year
FYDP - Future Years Defense Program
ICE - Independent Cost Estimate
IOC - Initial Operational Capability
Inc - Increment
JROC - Joint Requirements Oversight Council
\$K - Thousands of Dollars
KPP - Key Performance Parameter
LRIP - Low Rate Initial Production
\$M - Millions of Dollars
MDA - Milestone Decision Authority
MDAP - Major Defense Acquisition Program
MILCON - Military Construction
N/A - Not Applicable
O&M - Operations and Maintenance
ORD - Operational Requirements Document
OSD - Office of the Secretary of Defense
O&S - Operating and Support
PAUC - Program Acquisition Unit Cost

PB - President's Budget
PE - Program Element
PEO - Program Executive Officer
PM - Program Manager
POE - Program Office Estimate
RDT&E - Research, Development, Test, and Evaluation
SAR - Selected Acquisition Report
SCP - Service Cost Position
TBD - To Be Determined
TY - Then Year
UCR - Unit Cost Reporting
U.S. - United States
USD(AT&L) - Under Secretary of Defense (Acquisition, Technology and Logistics)

Program Information

Program Name

VH-92A Presidential Helicopter (VH-92A)

DoD Component

Navy

Responsible Office

Col Robert Pridgen
PMA274 Presidential Helicopters Program
Program Executive Office - Air, Anti-Submarine Warfare,
Assault & Special Mission
48202 Bronson Road, Building 2805
Patuxent River, MD 20670-1547

Phone: 301-757-5782**Fax:** 301-757-7999**DSN Phone:****DSN Fax:****Date Assigned:** July 2, 2014robert.d.pridgen@navy.mil

References

SAR Baseline (Development Estimate)

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated April 17, 2014

Approved APB

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated April 17, 2014

Mission and Description

The VH-92A Presidential Helicopter (VH-92A) program mission is to provide safe, reliable, and timely transportation for the President, Vice President, Foreign Heads of State, and other official parties as directed by the Director of the White House Military Office. Presidential helicopter transportation requirements are executed by Marine Helicopter Squadron One (HMX-1) and support the President worldwide and the Vice President primarily inside the National Capital Region. Mission tasking encompasses two (2) main types of missions, administrative lift (Mission Tasking 1) and contingency operations (Mission Tasking 2). The VH-92A platform will replace both In-Service aircraft (VH-3D and VH-60N) and is based on Sikorsky's commercial S-92A helicopter. The acquisition strategy for the VH-92A program involves integration of mature government-defined mission systems and an executive interior into the existing S-92A air vehicle.

Executive Summary

The VH-92A program completed a Milestone B DAB review in March 2014. The MDA approved the VH-92A program to enter the EMD phase in an ADM dated April 17, 2014. On April 17, 2014, the USD(AT&L) certified (with one waiver) the provisions set forth in section 2366b of title 10, United States Code (USC). Provision (2) of that section was waived in accordance with subsection (d) of the statute. On January 29, 2016, the USD(AT&L) certified that the VH-92A program met the certification requirement for provision (2) pursuant to section 2366b of title 10, USC. There are no remaining 2366b waivers associated with this program.

A Fixed Price Incentive Firm contract was competitively awarded to Sikorsky Aircraft Corporation on May 7, 2014. A total quantity of 23 aircraft will be procured, consisting of 21 operational aircraft and 2 test aircraft. In August 2015, the VH-92A program conducted a System Level Preliminary Design Review (PDR). In September 2015, early risk reduction testing was completed at Lockheed Martin's facility in Owego, NY including co-site testing. Engineering Development Model (EDM) 1 and EDM 2 are currently in modification at Sikorsky's facility in Stratford, CT. Mission Communications System development and integration efforts continue at Naval Air Systems Command in St. Inigoes, MD and Lockheed Martin, Owego, NY. In addition, Live Fire Test and Evaluation efforts have commenced. The program conducted an In-Process Review with the MDA on March 7, 2016. System Level Critical Design Review is planned for 4th Quarter FY 2016.

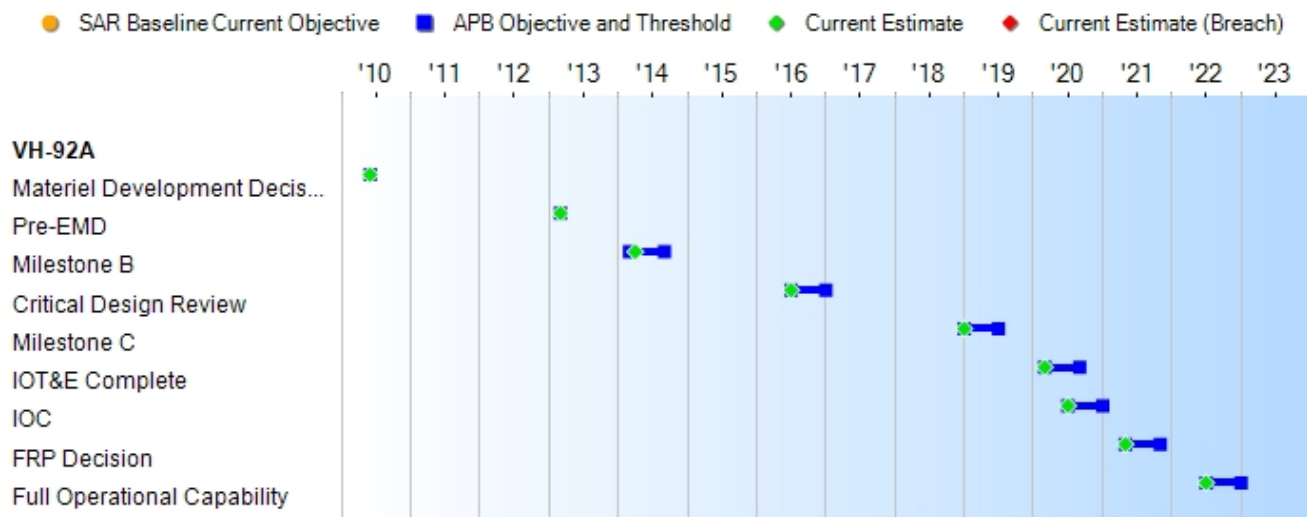
There are no significant software-related issues with this program at this time.

Threshold Breaches

| | | |
|--------------|-------------|--------------------------|
| APB Breaches | | |
| Schedule | | <input type="checkbox"/> |
| Performance | | <input type="checkbox"/> |
| Cost | RDT&E | <input type="checkbox"/> |
| | Procurement | <input type="checkbox"/> |
| | MILCON | <input type="checkbox"/> |
| | Acq O&M | <input type="checkbox"/> |
| O&S Cost | | <input type="checkbox"/> |
| Unit Cost | PAUC | <input type="checkbox"/> |
| | APUC | <input type="checkbox"/> |

| | | |
|-----------------------|------|------|
| Nunn-McCurdy Breaches | | |
| Current UCR Baseline | | |
| | PAUC | None |
| | APUC | None |
| Original UCR Baseline | | |
| | PAUC | None |
| | APUC | None |

Schedule



| Schedule Events | | | | |
|-------------------------------|-----------------------------------|---|----------|------------------|
| Events | SAR Baseline Development Estimate | Current APB Development Objective/Threshold | | Current Estimate |
| Materiel Development Decision | Jun 2010 | Jun 2010 | Jun 2010 | Jun 2010 |
| Pre-EMD | Mar 2013 | Mar 2013 | Mar 2013 | Mar 2013 |
| Milestone B | Mar 2014 | Mar 2014 | Sep 2014 | Apr 2014 |
| Critical Design Review | Jul 2016 | Jul 2016 | Jan 2017 | Jul 2016 |
| Milestone C | Jan 2019 | Jan 2019 | Jul 2019 | Jan 2019 |
| IOT&E Complete | Mar 2020 | Mar 2020 | Sep 2020 | Mar 2020 |
| IOC | Jul 2020 | Jul 2020 | Jan 2021 | Jul 2020 |
| FRP Decision | May 2021 | May 2021 | Nov 2021 | May 2021 |
| Full Operational Capability | Jul 2022 | Jul 2022 | Jan 2023 | Jul 2022 |

Change Explanations

None

Acronyms and Abbreviations

IOT&E - Initial Operational Test & Evaluation

Performance

| Performance Characteristics | | | | |
|--|--|--|------------------|--|
| SAR Baseline Development Estimate | Current APB Development Objective/Threshold | Demonstrated Performance | Current Estimate | |
| Passenger Seating and Lift Capacity | | | | |
| (Objective= Threshold) MT-1: 14 passengers MT-2 | (Objective= Threshold) MT-1: 14 passengers MT-2 | MT-1: 12 passengers MT-2: 14 passengers | TBD | MT-1: 12 passengers MT-2: 14 passengers |
| Range (Operational Day) | | | | |
| MT-1 NCR, NCR Return: >100 NM MT-1 CONUS/OCONUS: >200 NM MT-2: >300 NM | MT-1 NCR, NCR Return: >100 NM MT-1 CONUS/OCONUS: >200 NM MT-2: >300 NM | MT-1 NCR, NCR Return: >50 NM MT-1 CONUS/OCONUS: >150 NM MT-2: >250 NM | TBD | MT-1 NCR, NCR Return: >50 NM MT-1 CONUS/OCONUS: >150 NM MT-2: >250 NM |
| Hover Performance | | | | |
| HOGES with mission payload and other required equipment (High Hot Day) | HOGES with mission payload and other required equipment (High Hot Day) | HOGES with mission payload and other required equipment (Operational Day) | TBD | HOGES with mission payload and other required equipment (Operational Day) |
| Transportability | | | | |
| (Objective= Threshold) MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17. | (Objective= Threshold) MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17. | MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17. | TBD | MT-2: (1) MT-2 aircraft and all required equipment, personnel (29), and SE necessary to execute deployed maintenance and mission requirements shall be transportable using (1) C-17. |
| Landing Zone Suitability | | | | |
| (Objective= Threshold) Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take-off, and departure from the existing White House South Lawn. | (Objective= Threshold) Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take-off, and departure from the existing White House South Lawn. | Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take-off, and departure from the existing White House South Lawn. | TBD | Maintain at least a 50 foot obstacle clearance during all phases of approach, landing, take-off, and departure from the existing White House South Lawn. |
| Sustainment: Materiel Availability - Am, Operational Availability -Ao | | | | |
| Am ≥ 59% MT-1: Ao ≥ 85% MT-2: Ao ≥ 85% | Am ≥ 59% MT-1: Ao ≥ 85% MT-2: Ao ≥ 85% | Am ≥ 57% MT-1: Ao ≥ 80% MT-2: Ao ≥ 83% | TBD | Am ≥ 57% MT-1: Ao ≥ 80% MT-2: Ao ≥ 83% |
| Training | | | | |

| | | | | |
|--|--|--|-----|--|
| (Objective= Threshold) Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training. | (Objective= Threshold) Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training. | Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training. | TBD | Reduce the overall time to train for pilots and crew chiefs from current In-Service aircraft time to train utilizing a Systems Approach to Training. |
| Net-Ready | | | | |
| (Objective= Threshold) Support net-centric military operations Enter and be managed on the network Exchanges information. | (Objective= Threshold) Support net-centric military operations Enter and be managed on the network Exchanges information. | Support net-centric military operations Enter and be managed on the network Exchanges information. | TBD | Support net-centric military operations Enter and be managed on the network Exchanges information. |

Classified Performance information is provided in the classified annex to this submission.

Requirements Reference

Capability Development Document (CDD) dated January 3, 2013

Change Explanations

None

Notes

With Joint Staff (J-4) concurrence and as documented in the CDD, the Energy KPP required by the Joint Capabilities Integration Development System Manual is not applicable to VH-92A.

Net Ready KPP Products are detailed in the CDD, Appendix A.

The VH-92A program was planned and budgeted to the performance threshold.

Acronyms and Abbreviations

Am - Materiel Availability
 Ao - Operational Availability
 CONUS - Continental United States
 HOGE - Hover out of Ground Effect
 MT-1 - Mission Tasking 1 (administrative lift)
 MT-2 - Mission Tasking 2 (contingency operations)
 NCR - National Capital Region
 NM - Nautical Mile
 OCONUS - Outside the Continental United States
 SE - Support Equipment

Track to Budget

| RDT&E | | | |
|-------------|-----------|----------------------------------|----------|
| Appn | BA | PE | |
| Navy | 1319 | 05 | 0604273N |
| | Project | Name | |
| | 3300 | Presidential Helicopter (VH-92A) | |
| | 3390 | VH-92A Improvements | |
| Procurement | | | |
| Appn | BA | PE | |
| Navy | 1506 | 04 | 0901212M |
| | Line Item | Name | |
| | 0455 | VH-92A Executive Helo | |
| Navy | 1506 | 06 | 0901212M |
| | Line Item | Name | |
| | 0605 | Spares for VXX | |

Cost and Funding

Cost Summary

| Total Acquisition Cost | | | | | | | |
|------------------------|-----------------------------------|---|--------|------------------|-----------------------------------|-----------------------------------|------------------|
| Appropriation | BY 2014 \$M | | | BY 2014 \$M | TY \$M | | |
| | SAR Baseline Development Estimate | Current APB Development Objective/Threshold | | Current Estimate | SAR Baseline Development Estimate | Current APB Development Objective | Current Estimate |
| RDT&E | 2606.1 | 2606.1 | 2866.7 | 2421.6 | 2805.7 | 2805.7 | 2571.8 |
| Procurement | 2043.6 | 2043.6 | 2248.0 | 2205.0 | 2379.0 | 2379.0 | 2516.4 |
| Flyaway | -- | -- | -- | 1501.3 | -- | -- | 1712.3 |
| Recurring | -- | -- | -- | 1501.3 | -- | -- | 1712.3 |
| Non Recurring | -- | -- | -- | 0.0 | -- | -- | 0.0 |
| Support | -- | -- | -- | 703.7 | -- | -- | 804.1 |
| Other Support | -- | -- | -- | 269.8 | -- | -- | 309.2 |
| Initial Spares | -- | -- | -- | 433.9 | -- | -- | 494.9 |
| MILCON | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Acq O&M | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 4649.7 | 4649.7 | N/A | 4626.6 | 5184.7 | 5184.7 | 5088.2 |

Confidence Level

Confidence Level of cost estimate for current APB: 50%

The current APB cost estimate provides sufficient resources to execute the program under normal conditions, encountering average levels of technical, schedule and programmatic risk and external interference. It is consistent with average resource expenditures on historical efforts of similar size, scope, and complexity and represents a notional 50% confidence level.

| Total Quantity | | | |
|----------------|-----------------------------------|-------------------------|------------------|
| Quantity | SAR Baseline Development Estimate | Current APB Development | Current Estimate |
| RDT&E | 6 | 6 | 6 |
| Procurement | 17 | 17 | 17 |
| Total | 23 | 23 | 23 |

Cost and Funding

Funding Summary

| Appropriation Summary | | | | | | | | | |
|---|-------|---------|---------|---------|---------|---------|---------|-------------|--------|
| FY 2017 President's Budget / December 2015 SAR (TY\$ M) | | | | | | | | | |
| Appropriation | Prior | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | To Complete | Total |
| RDT&E | 651.4 | 507.1 | 338.4 | 478.4 | 288.2 | 189.9 | 54.5 | 63.9 | 2571.8 |
| Procurement | 0.0 | 0.0 | 0.0 | 0.0 | 845.8 | 854.8 | 815.8 | 0.0 | 2516.4 |
| MILCON | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Acq O&M | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PB 2017 Total | 651.4 | 507.1 | 338.4 | 478.4 | 1134.0 | 1044.7 | 870.3 | 63.9 | 5088.2 |
| PB 2016 Total | 662.9 | 507.1 | 589.7 | 481.7 | 1089.0 | 913.1 | 782.0 | 139.0 | 5164.5 |
| Delta | -11.5 | 0.0 | -251.3 | -3.3 | 45.0 | 131.6 | 88.3 | -75.1 | -76.3 |

| Quantity Summary | | | | | | | | | | |
|---|---------------|-------|---------|---------|---------|---------|---------|---------|-------------|-------|
| FY 2017 President's Budget / December 2015 SAR (TY\$ M) | | | | | | | | | | |
| Quantity | Undistributed | Prior | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | To Complete | Total |
| Development | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| Production | 0 | 0 | 0 | 0 | 0 | 6 | 6 | 5 | 0 | 17 |
| PB 2017 Total | 6 | 0 | 0 | 0 | 0 | 6 | 6 | 5 | 0 | 23 |
| PB 2016 Total | 6 | 0 | 0 | 0 | 0 | 6 | 6 | 5 | 0 | 23 |
| Delta | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Cost and Funding

Annual Funding By Appropriation

| Annual Funding | | | | | | | |
|--|----------|----------------------------------|---|-----------------------------|------------------|------------------|------------------|
| 1319 RDT&E Research, Development, Test, and Evaluation, Navy | | | | | | | |
| Fiscal Year | Quantity | TY \$M | | | | | |
| | | End Item Recurring Flyaway | Non End Item Recurring Flyaway | Non Recurring Flyaway | Total Flyaway | Total Support | Total Program |
| 2010 | -- | -- | -- | -- | -- | -- | 23.0 |
| 2011 | -- | -- | -- | -- | -- | -- | 73.9 |
| 2012 | -- | -- | -- | -- | -- | -- | 58.9 |
| 2013 | -- | -- | -- | -- | -- | -- | 46.2 |
| 2014 | -- | -- | -- | -- | -- | -- | 92.8 |
| 2015 | -- | -- | -- | -- | -- | -- | 356.6 |
| 2016 | -- | -- | -- | -- | -- | -- | 507.1 |
| 2017 | -- | -- | -- | -- | -- | -- | 338.4 |
| 2018 | -- | -- | -- | -- | -- | -- | 478.4 |
| 2019 | -- | -- | -- | -- | -- | -- | 288.2 |
| 2020 | -- | -- | -- | -- | -- | -- | 189.9 |
| 2021 | -- | -- | -- | -- | -- | -- | 54.5 |
| 2022 | -- | -- | -- | -- | -- | -- | 7.4 |
| 2023 | -- | -- | -- | -- | -- | -- | 7.5 |
| 2024 | -- | -- | -- | -- | -- | -- | 7.4 |
| 2025 | -- | -- | -- | -- | -- | -- | 7.6 |
| 2026 | -- | -- | -- | -- | -- | -- | 7.8 |
| 2027 | -- | -- | -- | -- | -- | -- | 7.8 |
| 2028 | -- | -- | -- | -- | -- | -- | 6.7 |
| 2029 | -- | -- | -- | -- | -- | -- | 6.2 |
| 2030 | -- | -- | -- | -- | -- | -- | 5.5 |
| Subtotal | 6 | -- | -- | -- | -- | -- | 2571.8 |

| Annual Funding | | | | | | | |
|--|----------|----------------------------------|---|-----------------------------|------------------|------------------|------------------|
| 1319 RDT&E Research, Development, Test, and Evaluation, Navy | | | | | | | |
| Fiscal Year | Quantity | BY 2014 \$M | | | | | |
| | | End Item Recurring Flyaway | Non End Item Recurring Flyaway | Non Recurring Flyaway | Total Flyaway | Total Support | Total Program |
| 2010 | -- | -- | -- | -- | -- | -- | 24.2 |
| 2011 | -- | -- | -- | -- | -- | -- | 76.0 |
| 2012 | -- | -- | -- | -- | -- | -- | 59.6 |
| 2013 | -- | -- | -- | -- | -- | -- | 46.3 |
| 2014 | -- | -- | -- | -- | -- | -- | 91.6 |
| 2015 | -- | -- | -- | -- | -- | -- | 347.8 |
| 2016 | -- | -- | -- | -- | -- | -- | 486.7 |
| 2017 | -- | -- | -- | -- | -- | -- | 318.9 |
| 2018 | -- | -- | -- | -- | -- | -- | 442.3 |
| 2019 | -- | -- | -- | -- | -- | -- | 261.2 |
| 2020 | -- | -- | -- | -- | -- | -- | 168.8 |
| 2021 | -- | -- | -- | -- | -- | -- | 47.5 |
| 2022 | -- | -- | -- | -- | -- | -- | 6.3 |
| 2023 | -- | -- | -- | -- | -- | -- | 6.3 |
| 2024 | -- | -- | -- | -- | -- | -- | 6.1 |
| 2025 | -- | -- | -- | -- | -- | -- | 6.1 |
| 2026 | -- | -- | -- | -- | -- | -- | 6.2 |
| 2027 | -- | -- | -- | -- | -- | -- | 6.0 |
| 2028 | -- | -- | -- | -- | -- | -- | 5.1 |
| 2029 | -- | -- | -- | -- | -- | -- | 4.6 |
| 2030 | -- | -- | -- | -- | -- | -- | 4.0 |
| Subtotal | 6 | -- | -- | -- | -- | -- | 2421.6 |

For RDT&E aircraft, the first 2 will support contractor and government led testing and will remain as test and evaluation assets. The remaining 4 will support the completion of government led testing and will be utilized for Initial Operational Test & Evaluation. These 4 aircraft will then transition to operational status.

| Annual Funding 1506 Procurement Aircraft Procurement, Navy | | | | | | | |
|---|----------|----------------------------------|---|-----------------------------|------------------|------------------|------------------|
| Fiscal Year | Quantity | TY \$M | | | | | |
| | | End Item Recurring Flyaway | Non End Item Recurring Flyaway | Non Recurring Flyaway | Total Flyaway | Total Support | Total Program |
| 2019 | 6 | 594.6 | -- | -- | 594.6 | 251.2 | 845.8 |
| 2020 | 6 | 596.7 | -- | -- | 596.7 | 258.1 | 854.8 |
| 2021 | 5 | 521.0 | -- | -- | 521.0 | 294.8 | 815.8 |
| Subtotal | 17 | 1712.3 | -- | -- | 1712.3 | 804.1 | 2516.4 |

| Annual Funding 1506 Procurement Aircraft Procurement, Navy | | | | | | | |
|---|----------|----------------------------------|---|-----------------------------|------------------|------------------|------------------|
| Fiscal Year | Quantity | BY 2014 \$M | | | | | |
| | | End Item Recurring Flyaway | Non End Item Recurring Flyaway | Non Recurring Flyaway | Total Flyaway | Total Support | Total Program |
| 2019 | 6 | 531.2 | -- | -- | 531.2 | 224.5 | 755.7 |
| 2020 | 6 | 522.7 | -- | -- | 522.7 | 226.0 | 748.7 |
| 2021 | 5 | 447.4 | -- | -- | 447.4 | 253.2 | 700.6 |
| Subtotal | 17 | 1501.3 | -- | -- | 1501.3 | 703.7 | 2205.0 |

Low Rate Initial Production

| Item | Initial LRIP Decision | Current Total LRIP |
|-------------------|-----------------------|--------------------|
| Approval Date | 4/17/2014 | 4/17/2014 |
| Approved Quantity | 12 | 12 |
| Reference | Milestone B ADM | Milestone B ADM |
| Start Year | 2019 | 2019 |
| End Year | 2022 | 2022 |

The Current Total LRIP Quantity is more than 10% of the total production quantity due to the requirement to have a minimum of 12 aircraft to establish an initial production base for the system. This LRIP quantity has been approved by the MDA as documented in the Milestone B ADM.

Foreign Military Sales

None

Nuclear Costs

None

Unit Cost

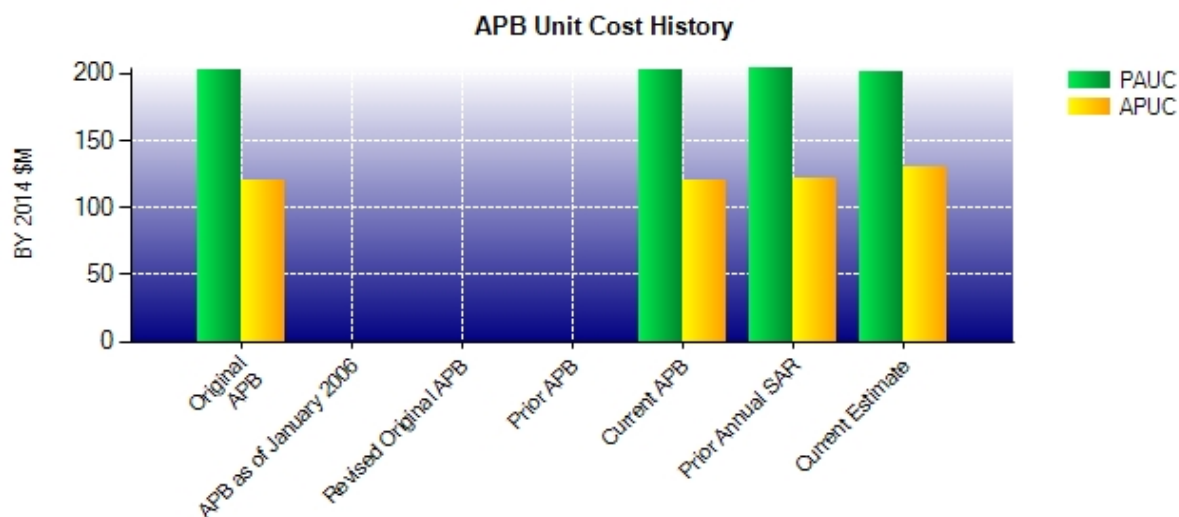
Unit Cost Report

| Item | BY 2014 \$M | BY 2014 \$M | % Change |
|-------------------------------|---|------------------------------------|----------|
| | Current UCR Baseline (Apr 2014 APB) | Current Estimate (Dec 2015 SAR) | |
| Program Acquisition Unit Cost | | | |
| Cost | 4649.7 | 4626.6 | |
| Quantity | 23 | 23 | |
| Unit Cost | 202.161 | 201.157 | -0.50 |
| Average Procurement Unit Cost | | | |
| Cost | 2043.6 | 2205.0 | |
| Quantity | 17 | 17 | |
| Unit Cost | 120.212 | 129.706 | +7.90 |

| Item | BY 2014 \$M | BY 2014 \$M | % Change |
|-------------------------------|--|------------------------------------|----------|
| | Original UCR Baseline (Apr 2014 APB) | Current Estimate (Dec 2015 SAR) | |
| Program Acquisition Unit Cost | | | |
| Cost | 4649.7 | 4626.6 | |
| Quantity | 23 | 23 | |
| Unit Cost | 202.161 | 201.157 | -0.50 |
| Average Procurement Unit Cost | | | |
| Cost | 2043.6 | 2205.0 | |
| Quantity | 17 | 17 | |
| Unit Cost | 120.212 | 129.706 | +7.90 |

The increase in Average Procurement Unit Cost is due to establishment of the Aircraft Procurement, Navy, initial spares funding line (APN-6).

Unit Cost History



| Item | Date | BY 2014 \$M | | TY \$M | |
|------------------------|----------|-------------|---------|---------|---------|
| | | PAUC | APUC | PAUC | APUC |
| Original APB | Apr 2014 | 202.161 | 120.212 | 225.422 | 139.941 |
| APB as of January 2006 | N/A | N/A | N/A | N/A | N/A |
| Revised Original APB | N/A | N/A | N/A | N/A | N/A |
| Prior APB | N/A | N/A | N/A | N/A | N/A |
| Current APB | Apr 2014 | 202.161 | 120.212 | 225.422 | 139.941 |
| Prior Annual SAR | Dec 2014 | 203.291 | 121.482 | 224.543 | 139.947 |
| Current Estimate | Dec 2015 | 201.157 | 129.706 | 221.226 | 148.024 |

SAR Unit Cost History

| Current SAR Baseline to Current Estimate (TY \$M) | | | | | | | | | |
|---|---------|-------|-------|-------|--------|-------|-------|--------|-----------------------|
| Initial PAUC Development Estimate | Changes | | | | | | | | PAUC Current Estimate |
| | Econ | Qty | Sch | Eng | Est | Oth | Spt | Total | |
| 225.422 | -3.826 | 0.000 | 0.000 | 0.000 | -7.383 | 0.000 | 7.013 | -4.196 | 221.226 |

| Current SAR Baseline to Current Estimate (TY \$M) | | | | | | | | | |
|---|---------|-------|-------|-------|-------|-------|-------|-------|-----------------------|
| Initial APUC Development Estimate | Changes | | | | | | | | APUC Current Estimate |
| | Econ | Qty | Sch | Eng | Est | Oth | Spt | Total | |
| 139.941 | -2.624 | 0.000 | 0.000 | 0.000 | 1.218 | 0.000 | 9.488 | 8.082 | 148.024 |

| SAR Baseline History | | | | |
|----------------------|-----------------------------|--------------------------------|-------------------------------|---------------------|
| Item | SAR Planning Estimate | SAR Development Estimate | SAR Production Estimate | Current Estimate |
| Milestone A | N/A | N/A | N/A | N/A |
| Milestone B | N/A | Mar 2014 | N/A | Apr 2014 |
| Milestone C | N/A | Jan 2019 | N/A | Jan 2019 |
| IOC | N/A | Jul 2020 | N/A | Jul 2020 |
| Total Cost (TY \$M) | N/A | 5184.7 | N/A | 5088.2 |
| Total Quantity | N/A | 23 | N/A | 23 |
| PAUC | N/A | 225.422 | N/A | 221.226 |

Cost Variance

| Summary TY \$M | | | | |
|-------------------------------------|--------|-------------|--------|--------|
| Item | RDT&E | Procurement | MILCON | Total |
| SAR Baseline (Development Estimate) | 2805.7 | 2379.0 | -- | 5184.7 |
| Previous Changes | | | | |
| Economic | -29.0 | -24.6 | -- | -53.6 |
| Quantity | -- | -- | -- | -- |
| Schedule | -- | -- | -- | -- |
| Engineering | -- | -- | -- | -- |
| Estimating | +8.7 | +6.1 | -- | +14.8 |
| Other | -- | -- | -- | -- |
| Support | -- | +18.6 | -- | +18.6 |
| Subtotal | -20.3 | +0.1 | -- | -20.2 |
| Current Changes | | | | |
| Economic | -14.4 | -20.0 | -- | -34.4 |
| Quantity | -- | -- | -- | -- |
| Schedule | -- | -- | -- | -- |
| Engineering | -- | -- | -- | -- |
| Estimating | -199.2 | +14.6 | -- | -184.6 |
| Other | -- | -- | -- | -- |
| Support | -- | +142.7 | -- | +142.7 |
| Subtotal | -213.6 | +137.3 | -- | -76.3 |
| Total Changes | -233.9 | +137.4 | -- | -96.5 |
| CE - Cost Variance | 2571.8 | 2516.4 | -- | 5088.2 |
| CE - Cost & Funding | 2571.8 | 2516.4 | -- | 5088.2 |

| Summary BY 2014 \$M | | | | |
|-------------------------------------|--------|-------------|--------|--------|
| Item | RDT&E | Procurement | MILCON | Total |
| SAR Baseline (Development Estimate) | 2606.1 | 2043.6 | -- | 4649.7 |
| Previous Changes | | | | |
| Economic | -- | -- | -- | -- |
| Quantity | -- | -- | -- | -- |
| Schedule | -- | -- | -- | -- |
| Engineering | -- | -- | -- | -- |
| Estimating | +4.4 | +5.5 | -- | +9.9 |
| Other | -- | -- | -- | -- |
| Support | -- | +16.1 | -- | +16.1 |
| Subtotal | +4.4 | +21.6 | -- | +26.0 |
| Current Changes | | | | |
| Economic | -- | -- | -- | -- |
| Quantity | -- | -- | -- | -- |
| Schedule | -- | -- | -- | -- |
| Engineering | -- | -- | -- | -- |
| Estimating | -188.9 | +12.8 | -- | -176.1 |
| Other | -- | -- | -- | -- |
| Support | -- | +127.0 | -- | +127.0 |
| Subtotal | -188.9 | +139.8 | -- | -49.1 |
| Total Changes | -184.5 | +161.4 | -- | -23.1 |
| CE - Cost Variance | 2421.6 | 2205.0 | -- | 4626.6 |
| CE - Cost & Funding | 2421.6 | 2205.0 | -- | 4626.6 |

Previous Estimate: December 2014

| RDT&E | \$M | |
|--|-----------|-----------|
| Current Change Explanations | Base Year | Then Year |
| Revised escalation indices. (Economic) | N/A | -14.4 |
| Adjustment for current and prior escalation. (Estimating) | +4.6 | +4.7 |
| Revised estimate to reflect the application of new outyear inflation indices. (Estimating) | +9.1 | +9.8 |
| Revised estimate to align with FY 2017 PB. (Estimating) | -4.5 | -3.6 |
| Revised estimate due to realized efficiencies in FY 2016-2017. (Estimating) | -198.1 | -210.1 |
| RDT&E Subtotal | -188.9 | -213.6 |

| Procurement | \$M | |
|---|-----------|-----------|
| Current Change Explanations | Base Year | Then Year |
| Revised escalation indices. (Economic) | N/A | -20.0 |
| Revised estimate to reflect the application of new outyear inflation indices. (Estimating) | +12.8 | +14.6 |
| Decrease in Other Support due revised labor estimates and the application of new outyear inflation indices. (Support) | -40.1 | -48.3 |
| Increase in Initial Spares due to establishment of Aircraft Procurement, Navy initial spares funding line and the application of new outyear inflation indices. (Support) | +167.1 | +191.0 |
| Procurement Subtotal | +139.8 | +137.3 |

Contracts

Contract Identification

Appropriation: RDT&E
Contract Name: Presidential Helicopter Replacement Program (EMD)
Contractor: Sikorsky Aircraft Corp.
Contractor Location: 6900 Main Street PO Box 9731
 Stratford, CT 06615-9131
Contract Number: N00019-14-C-0050
Contract Type: Fixed Price Incentive(Firm Target) (FPIF)
Award Date: May 07, 2014
Definitization Date: May 07, 2014

Contract Price

| Initial Contract Price (\$M) | | | Current Contract Price (\$M) | | | Estimated Price At Completion (\$M) | |
|------------------------------|---------|-----|------------------------------|---------|-----|-------------------------------------|-----------------|
| Target | Ceiling | Qty | Target | Ceiling | Qty | Contractor | Program Manager |
| 1244.7 | 1326.7 | 6 | 1211.1 | 1286.4 | 6 | 1230.2 | 1230.2 |

Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to a contract modification that moved test spares from a Fixed Price Incentive CLIN to a Firm Fixed Price CLIN which reduced the overall contract price.

Contract Variance

| Item | Cost Variance | Schedule Variance |
|--|---------------|-------------------|
| Cumulative Variances To Date (1/31/2016) | -3.7 | -2.7 |
| Previous Cumulative Variances | -0.4 | -0.7 |
| Net Change | -3.3 | -2.0 |

Cost and Schedule Variance Explanations

The unfavorable net change in the cost variance is due to additional work associated with the airstair door, cabin floor, and titanium airframe machining.

The unfavorable net change in the schedule variance is due to additional work associated with the airstair door, cabin floor, and Mission Communications System rack and console design. Key milestones are on plan to meet APB objectives.

Deliveries and Expenditures

| Deliveries | | | | |
|----------------------------------|-----------------|----------------|----------------|-------------------|
| Delivered to Date | Planned to Date | Actual to Date | Total Quantity | Percent Delivered |
| Development | 0 | 0 | 6 | 0.00% |
| Production | 0 | 0 | 17 | 0.00% |
| Total Program Quantity Delivered | 0 | 0 | 23 | 0.00% |

| Expended and Appropriated (TY \$M) | | | |
|------------------------------------|--------|----------------------------|--------|
| Total Acquisition Cost | 5088.2 | Years Appropriated | 7 |
| Expended to Date | 546.1 | Percent Years Appropriated | 33.33% |
| Percent Expended | 10.73% | Appropriated to Date | 1158.5 |
| Total Funding Years | 21 | Percent Appropriated | 22.77% |

The above data is current as of February 09, 2016.

Operating and Support Cost

Cost Estimate Details

| | |
|---------------------------------|-------------------|
| Date of Estimate: | January 16, 2014 |
| Source of Estimate: | SCP |
| Quantity to Sustain: | 21 |
| Unit of Measure: | Aircraft |
| Service Life per Unit: | 40.00 Years |
| Fiscal Years in Service: | FY 2021 - FY 2062 |

Aircraft Attrition: 1 aircraft over the life of the program

Aircraft Pipeline Factor: 19% of Total Aircraft Inventory (TAI)

Squadrons: Marine Helicopter Squadron One (HMX-1) Helicopters per (active) squadron: 16

Monthly Flight Hours per Helicopter: 19.8

Total TAI Helicopter Years: 840

Total Primary Authorized Aircraft Helicopter Years: 648

Total program acquisition quantity of 23 aircraft is comprised of 2 test aircraft and 21 operational aircraft. The quantity to sustain encompasses the 21 operational aircraft.

Sustainment Strategy

The VH-92 program will utilize Organizational, limited Intermediate and Depot level maintenance capabilities. Contractor maintenance will be employed as support for depot level repairables. Aircraft rework will be performed via an organic depot level Integrated Maintenance Program. During sustainment, in-service engineering support will be provided by the Contractor.

Antecedent Information

The Antecedent VH-3D/VH-60N data is representative of FY 2012 to FY 2014 average of Naval Visibility And Management of Operating and Support Cost (VAMOSC) reported cost data.

Total O&S Costs = Average annual O&S Cost/aircraft * total aircraft operating years = \$12.050M * 840 = \$10,122.0M BY 2014.

| Annual O&S Costs BY2014 \$M | | |
|--------------------------------|--|---|
| Cost Element | VH-92A Average Annual Cost Per Aircraft | VH-3D/VH-60N (Antecedent) Average Annual Cost Per Aircraft |
| Unit-Level Manpower | 1.750 | 1.750 |
| Unit Operations | 0.360 | 0.440 |
| Maintenance | 5.980 | 4.350 |
| Sustaining Support | 0.810 | 0.690 |
| Continuing System Improvements | 2.190 | 4.510 |
| Indirect Support | 0.310 | 0.310 |
| Other | 0.000 | 0.000 |
| Total | 11.400 | 12.050 |

| Item | Total O&S Cost \$M | | |
|-----------|--|------------------|------------------------------|
| | VH-92A | | VH-3D/VH-60N (Antecedent) |
| | Current Development APB Objective/Threshold | Current Estimate | |
| Base Year | 10140.4 | 11154.4 | 9573.0 |
| Then Year | 17674.3 | N/A | 16631.1 |

For Total O&S Cost, the Current Estimate of \$9,573.0M BY 2014 is the SCP established to support the Program's Navy Gate 5 and Milestone B Review held during the second quarter of FY 2014. The CAPE ICE of \$10,140.4M BY 2014 was selected to establish the APB objective value. Differences between the numbers are primarily driven by Maintenance Concept and projected System Improvements for the platform.

Equation to Translate Annual Cost to Total Cost

Average annual O&S cost/aircraft = Total O&S costs / total aircraft operating years = \$9,573.0M / 840 = \$11.400M BY 2014

| O&S Cost Variance | | |
|--|----------------|---------------------|
| Category | BY 2014 \$M | Change Explanations |
| Prior SAR Total O&S Estimates - Dec 2014 SAR | 9573.0 | |
| Programmatic/Planning Factors | 0.0 | |
| Cost Estimating Methodology | 0.0 | |
| Cost Data Update | 0.0 | |
| Labor Rate | 0.0 | |
| Energy Rate | 0.0 | |
| Technical Input | 0.0 | |
| Other | 0.0 | |

| | |
|------------------|--------|
| Total Changes | 0.0 |
| Current Estimate | 9573.0 |

Disposal Estimate Details

| | |
|---|--|
| Date of Estimate: | January 16, 2014 |
| Source of Estimate: | SCP |
| Disposal/Demilitarization Total Cost (BY 2014 \$M): | Total costs for disposal of all Aircraft are 1.2 |

The estimate will be refined at Milestone C based on the System Disposal Plan Annex to the Life Cycle Sustainment Plan.